

## **State of Alabama Workforce Investment Act Waiver Request**

### **Incumbent Worker Training at the Local Area Level**

The Alabama Department of Economic and Community Affairs (ADECA), as the State administrative entity for the Workforce Investment Act (WIA), is requesting a waiver of restrictions on the use of local area WIA funds for **Incumbent Worker Training** at the local area level. This waiver would allow local workforce investment boards, at their discretion, to spend up to 10 percent of funds allocated to a local area under section 133(b) to carry out incumbent worker training programs. The approval of this waiver request will help to prevent layoffs and closures by assisting companies in becoming more competitive through provision of needed training. We will require a 50 percent match of WIA funds by the employer.

This waiver request adheres to the format identified in WIA Section 189(i)(4)(B) and WIA Final Regulations at 20 CFR Section 661.420(c).

#### **1. Statutory Requirements to be Waived:**

WIA requires progression through a series of core, intensive and training activities. The requirements for intensive services include, from WIA Section 134(d)(3)(A), being "...unemployed and are unable to obtain employment through core services...", "...been determined by a one-stop operator to be in need of more intensive services in order to obtain or retain employment that allows for self-sufficiency." WIA Section 134(d)(4)(A)(i) requires a person to have "...met eligibility requirements for intensive services..." and to be "...unable to obtain or retain employment through such services." These requirements effectively block the use of local funds for Incumbent Worker Training.

Alabama has run an Incumbent Worker Training Program using state-level 10 percent funds for approximately two years. The program has become more and more popular as word has gotten out, but the state-level funds are not sufficient to meet the demand by the employer community. If local areas were able to use their funds for Incumbent Worker Training, the ability of the program to help save jobs and to help existing employers to expand would be greatly enhanced.

Alabama proposes to implement the provisions in H.R. 1261 to allow up to 10 percent of funds allocated to a local area under Section 136(b) to be used to carry out Incumbent Worker Training programs. A State policy would require that a minimum of a 50 percent match would be required from each employer.

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This waiver would increase the role of local WIBs and the role of employers in workforce investment activities. It would also increase local flexibility to respond to the employer community. These principles are in keeping with the goals of WIA.

**2. State or Local Statutory Barriers:**

There are no existing state or local statutory or regulatory barriers to implementation of this waiver request.

**3. Goals of the Waiver and Expected Programmatic Outcomes:**

This waiver will provide local workforce investment boards the option to spend a portion of their WIA funding on Incumbent Worker Training. It is a program that is very popular with employers, because it is needed. With each succeeding year, competition in the workplace increases. Employers are required not only to work harder, but to work smarter, and this requires training. Incumbent Worker Training provides this training to employees of companies that need the assistance, thereby assisting in retaining jobs and even in creating jobs. In addition to these benefits, Incumbent Worker Training is spreading word about WIA in a very positive way. Employers have been very pleased with State-level training projects. This waiver will help to get information about WIA spread among the employer community.

**4. Description of the Individuals Impacted by the Waiver:**

The potential impact of this waiver is on employers and on employees in businesses that are at risk of closing or having layoffs without the Incumbent Worker Training. This activity has the potential to avoid some layoffs and closings. It further has the potential to expand employment. The training provided to individuals makes the person a more valuable employee to both his current employer and to other employers as well.

**5. Description of the Process to Monitor Waiver Progress:**

The ADECA Workforce Development Division will monitor the progress of the waiver by checking with local areas on Incumbent Worker Training programs in existence and checking on results in the statewide management information system. As previously stated, a State policy will be issued to define requirements for the Incumbent Worker Training program to include the requirement for a 50 percent match by the employer.

**6. Opportunity for Local Boards to Comment on the Waiver Request:**

This waiver request was discussed at the May 29, 2003 State Workforce Investment Board Executive Committee Meeting at which the local boards were invited guests. This is a program for which local areas have been asking since the inception of WIA.

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**7. Public Comment on the Waiver Request:**

In addition to discussing this waiver request at the May 29 State WIB Executive Committee meeting, a public notice will be published to ensure the opportunity for comments. The Waiver Request will also be posted on the ADECA web site at <http://209.192.62.174/>. Any comments received will be forwarded to the Department of Labor within 30 days.